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THE PRINCIPLES OF DISTRIBUTIVE JUSTICE.

ARTHUR K. ROGERS.

IN THE present article I propose to set aside questions of expediency, and of practical method, and to confine myself simply to the consideration of general ethical principles. Are there any such principles to be discovered for telling us how in detail the distribution of wealth ought theoretically to be carried out?—principles that will appeal to thoughtful men so universally as fair and just, that one point of expediency will plainly be that it will not be safe to violate them in any actual industrial scheme. There are a number of suggestions here that have been proposed, sufficiently plausible to call at least for consideration.

A first suggestion might possibly be, that the just basis of property is possession, and existing custom. Practically, in the common talk about the rights of property, this often is appealed to as if it were an ultimate ground. Men have always shown a disposition to resent any attempt to hinder them from 'doing what they please with their own,' and to think of as inalienably their own whatever custom has left hitherto in their hands. But society has of course successively repudiated one after another of such claims, until now we rather wonder how, for example, anyone could ever have thought that rotten boroughs, or human flesh, or any of a number of other things, were to be regarded as that to which a man had indefeasible rights. The suggestion has perhaps this measure of truth in it, that, other

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things being equal, continuance in things already settled is a ground of stability; and stability is one essential to any just system of property. It is therefore a point of expediency that possession should count. But it quite evidently does not settle the matter of fairness, unless we are ready to maintain that every form of property division has, while it lasted, been fair. Where the test of possession is relatively legitimate is in connection with claims based on the historic past. It is plainly inexpedient to go back too far in considering questions of title; and when, accordingly, a claim is advanced on the basis of a former title which has lapsed, it is convenient to fall back upon possession, in order to keep matters from being continually unsettled. So too, possession is relevant in law, the justice of the legal system not being for the moment in dispute; since if men were allowed without due legal process to oust those in possession, the occasion would be given for a state of private war. But when the essential justice of existing distribution is questioned, it is never relevant to answer criticism simply by appealing to possession; this is to beg the whole question. There is, as I have remarked, a point of expediency which ought to be considered, in that stability is essential to the proper workings of a system of property. But if we were to take this as if it justified always stopping with possession in order to avoid the dangers of uncertainty and change, we should be failing to note that such an insistence might well be the surest way of sacrificing stability. Possession gives security only where it does not come into conflict with what any large number of men regard as justice; the more the indictment of injustice is made, the more an insistence on the bare right of possession is bound to create an unsettled and dubious situation, in which no one can be sure what is to happen on the morrow. So when we find the complaint made against various reforms that they 'unsettle business,' without the question first being raised whether there may not be conditions in business which demand reform, we have such a short-sighted policy; the surest way to perpetuate business uncertainty is

to stop short of settling questions of business justice, and settling them right. A short spasm is far more in the interests of stability than a long reign of continued agitation.

At the opposite pole from the conservative plea of possession, is the radical claim that equality in distribution is the demand of justice. How this might come in conflict with expediency needs no elaboration here; but also its justification as an ethical ideal is far from self evident. It gets its primary force through the abstract appeal to 'equality,' which, as a word, has a sufficient moral flavor to lend some apparent sanction to whatever it gets attached to; but when we go beyond the word, we neither find the meaning very clear, nor the proof at all obvious. Do we mean that every human being should have literally the same income, independent of his needs, his services, his general deserts, his industry? One has only to put the question to see that this cannot maintain itself unequivocally as a demand of justice; to many people it will seem self-evidently unfair. Or is it that every one shall get the same reward for an equal amount of work? This might avoid the more flagrant difficulties in the first interpretation; but it still leaves a number of questions open. What does equal work mean? Does it mean work of equal value?—that would be to abandon the principle in any sense in which its upholders take a practical interest in maintaining it. Does it mean work done in an equal number of hours? As a matter of fact, this seems to be the only simple method of determining equality; and it is the one most commonly proposed. But then how about the fairness, again, of rewarding equally the man who loafs through his job and the one who takes it conscientiously, the bungler and the efficient artisan, the man who by special gifts adds a special value to his product—artistically for example,—and the mere routine worker, the man with an easy job and one who has to undergo much that is disagreeable or painful? And if to obviate this last objection one makes equality of effort the standard, we should have

to ask first what possible method could be devised for determining accurately differences of effort; and even then there would remain some of the other demands unsatisfied. Thus there is no necessary connection between effort, and quality or service; and within certain bounds it is even true that the greater the effort that has to be expended, the less intrinsically valuable the product is likely to be. Should we for example pay the apprentice more than the master workman, on the ground that he finds at the start the work much harder than it afterwards becomes by practice? I am not saying that, if it could be worked out, a principle of this sort might not be, in one or other of its forms, the most expedient way of dividing the proceeds of industry. All I say is that, if so, the justification would be in terms of expediency, and that no self-evident *fairness*, such as will appeal irresistably to all minds on an impartial survey, exists to give such a scheme a clear preliminary advantage.

Another suggestion, less frequently made, is that division should in fairness be determined on the basis of human *needs*. This has a minor and relative justification, perhaps, in so far as it calls for at least a minimum standard, and implies that any method of distribution is bound to seem unjust if there is in it that which leads to the frustrating of legitimate needs of life. In two senses this may enter into the statement of an ideal goal. The greater the need,—the more *needy*, that is, an individual,—the more insistent is the demand upon society to give attention to it. Or, in a more important sense, the higher the kind of need, in terms of its social value, the more urgent is our duty to provide opportunity for its satisfaction. But this amounts after all to no more than a restatement of the practical problem; on the manner of its solution it sheds almost no light at all. What for example shall determine, as between different people, the difference of needs? If the desires of the individuals themselves, we should soon have confusion multiplied; as a job to be put in the hands of experts, there would be present all the risks, and all the impossible requirements, of an extreme paternalism.

The next suggestion comes much nearer to the plain man's notion of essential fairness. It is the suggestion that there belongs by right to a man what he produces by his own labor. In the abstract this is something which appeals to our natural, and indeed almost inescapable way of looking at the matter. A man goes into the forest, gets his materials, and makes for himself a bow and arrow. A portion of himself, as Locke puts it, has gone into the object; and a consequent association is established which it is difficult to break. Especially does this appear when we ask the question, If it does not belong to him, to whom does it belong? Obviously there is no other individual whose claim is at all comparable; and the attempt to enforce a rival claim would be sure to arouse that natural antagonism which is the emotional accompaniment of a violation of right. And almost equally unfair would be the appropriation of the article for the use of society in the large, except as there could be enforced for the maker the communistic claim to a similar participation in the product of every other man's industry.

Accordingly, this is likely always to furnish a limiting principle to determine the just distribution of property. Wherever it can be shown that a product is due directly and solely to the skill and effort of an individual, the argument against depriving him of it can always be counted on to make a strong appeal to the sense of natural fairness. Compare the difference between the claim of a man upon a thing that he has made, and a thing that he has found by chance. The latter case has this degree of community with the former, that there is no other single individual who would be regarded as having a right to take it from him. But if society were to step in and claim a title to wealth that came by chance and without effort, while we might have a natural reluctance to give up the result of our good fortune, or might hold it practically inexpedient not to allow the individual to retain it, I hardly think our sense of justice would be seriously outraged, as it undoubtedly would be in proportion as effort had had to be expended.

So a proposal to conserve for society as a whole mineral resources, or to take over the unearned increment, whatever practical difficulties it might have to meet, can hardly be attacked on the ground of inherent injustice without the objection seeming far-fetched and artificial. On the other hand, compare the moral fervor which attaches to an appeal for justice to the laborer, on the ground that when he has done the actual work, some one else steps in and takes from him a part of what he has produced.

But now the last illustration indicates the difficulty that attaches to making this principle a final one in the actual process of distribution. It would, I think, be ethically a satisfactory principle if it could be carried out; but it could only be carried out with precision in a society where wealth takes the form of objects in which the handiwork of the maker can be definitely assigned, and where therefore, in particular, the complications due to a separation between laborer, employer, and middleman do not exist. The fatal difficulty at the present day lies not in the principle itself where it can be applied, but in finding cases where the application is unambiguous. What is true actually, in vastly the greater number of instances, is not an uncomplicated creation of *things*, but a creation of *values*, in such inextricable confusion, and often of so subtle and immaterial a character, that the attempt to identify them in terms of clear justice loses its convincingness. Consequently when the effort is made to render the matter simple, as when the workingman appeals to the supposedly obvious principle that the product belongs to the worker, what is done is to pick out only the most obvious element in a very complex situation,—manual labor,—and ignore all the other things entering into the value of the finished object. Furthermore this substitution of the idea of value for that of things, as a presupposition of the industrial situation, shows in another way. The workman no longer gets the thing which he produces, but a money payment instead; and since he usually is employed under conditions which secure him his wages whatever the later fate of the article

he works at, this obscures for him the fact that labor and value are not identical. If he had himself to dispose of the results of his work, he would quickly discover that there is no inevitable connection between labor expended, and the real results or rewards of labor in the shape of a right to enjoy other things; he might easily give a large expenditure of labor to something which would simply remain on his hands. This is a customary fate of those whose industry is not yet organized—the poet or story writer for example. The workingman would usually be quick to see the disadvantages of paying a poet for the work he had expended irrespective of the value to other people of the outcome; but the more material quality of his own effort blinds him to what is clearly the same situation there also, though of course in less degree. The theory that the worker should receive the product of his labor breaks down therefore, in practice, because under modern industrial conditions the worker seldom can receive this; for it there will have clearly to be substituted the principle that he should receive the *value* of his labor. The first formula almost necessarily reduces itself to terms of manual work. But apart from the fact that even manual labor is, in a given article, usually mingled inextricably, this is to ignore many other determinants of value; and so it would, if carried out, contravene the principle of justice on which it is supposed to rest.

The alternative form of the theory is, accordingly, that each man should receive, not the article which he produces, but the equivalent of that part of the value in the article for which his efforts are responsible. It may be stated in various ways,—that rewards should in justice be proportional to merit, or contribution, or service rendered, or value created. And here also there is one ambiguity first to be noticed. The ethical appeal in such a statement would undoubtedly be strongest if we could interpret the words as meaning genuine *social* merit, *real* service to society. But this is impracticable. There is often no possible way of estimating in money terms the relative social value of different kinds of work, nor is there, so far as

I am aware, any special call to carry out in a thorough-going way such a system of rewards. Conceivably under it the poet and religious teacher would be our millionaires, an outcome for which there is no popular demand. But now, furthermore, even the endeavor to estimate accurately the different elements of *industrial* value, by any method of *a priori* computation, seems entirely beyond the capacity of man. When accordingly the formula is really proposed as an attempt to meet the concrete issue, what it is very apt to turn out to be is an effort to justify ethically that already existing automatic form of distribution which we are familiar with in the competitive system. This is confessedly a rough way, at least, of equating reward with economic merit, since in theory a man gets rich only as he supplies something that the public wants, and supplies it better than his rivals. What remains to ask, therefore, for our present purpose, is whether there really is anything in such a method to give it an *ethical claim* upon us, so that any attempt to interfere with the disposition which it makes of the industrial product violates our native sense of fairness.

The more general ground for such a claim has just been stated. Supposing it is true that the rich man gets his money only by contributing to society in the process, why does it not belong to him by ethical right? Those who secure great portions of the general wealth have, we are assuming, not simply dipped their hand in an existing fund and taken for themselves what otherwise would have fallen to others, but they have, many of them, really added this, and more, to the common resources; and therefore they have an actual right to it, and it would be unjust to deprive them of it. If the inventor reaps a fortune, it is not at the expense of his fellows, who are in reality better off for his services. Or the man who organizes a great business may become a multi-millionaire, and still may fail to absorb all the wealth his greater efficiency has created.

Now it will probably be granted, by all except the extreme radical, that such a claim contains at least an element

of truth. But if we are after anything like exactness, there is more to do before we have justified existing distribution. In view of the complexity of industry, what sound reason can we give, not pure faith or guesswork, for supposing that competitive distribution comes anywhere near the actual differing contributions of the various factors? What principle will enable us to say, in particular, that the manager of a factory really adds just such a special amount of value to the output, which forms his fair recompense, therefore, over and above what is due to the employees?

To such a question I am acquainted with only one definite answer, which has been put most explicitly by Mr. Mallock. Mr. Mallock argues that the separation is theoretically possible, and even easy. If a number of men working without direction can turn out ten articles a day, and another man by introducing superior organization and methods can double the output, the extra amount is clearly due to him and no one else. If then we subtract an existing product from the larger product that arises on the appearance of a new factor, we shall have the amount for which this last is responsible. The earnings of management are equivalent to the output of the factory over what it would have been had the workmen tried to get along without a boss. It might indeed be asked how large a product we should get from the man of organizing ability if the workmen made up their minds to quit. But to this Mr. Mallock replies that the workmen *cannot* quit unless they choose to starve, whereas the manager can easily refuse to exercise his special skill; and consequently if it is a question of the amount of practical difference we have to make allowance for, we can ignore the former possibility.

Now the thing that this clearly may be made to measure in a fairly accurate way is the relative merits of different *managers*. But applied to the real point at issue, the division between the laboring and the employing class, I cannot help feeling that it is considerably more plausible than convincing. Even allowing that it has a certain abstract justification, so many qualifications appear when

we come down to the actual facts in detail, that it seems very doubtful whether it can be allowed much weight as an ethical argument to defend the employer against robbery at the hands of his workmen. To begin with, it is at any rate much less clear in its application to the rewards of capital, than to the rewards of special ability. It is hard to see why *justice* is essentially violated in refusing a special reward to the man who merely happens to be the owner of capital, when he does no more than permit the money to be used, if precisely the same results would have accrued with the capital in the possession of any one else, or of society at large.

The ethical case is stronger when special ability is in question; but here also qualifications have to be made the moment we begin to examine the concrete situation. When special productive excellence is plainly due to me alone, the strength of the claim, as I have said, reaches its maximum. I doubt if many people grudge a large reward to the occasional successful artist, because everyone can see that it is to him the results are due, and that no one else could have quite taken his place. If, however, luck, or chance, begins to enter in, rather than ability or hard work, our attitude insensibly changes. Wherever an element of luck is present, we feel that plenty of other men might have done precisely as well; and therefore there is really no intrinsic connection between this particular man and his accomplishment, or between his ability and the need the public has of it. And when we turn to the cases—and they are vastly in the majority—where the industrial product is the outcome of a complicated co-operation, this possibility becomes so omnipresent that it largely nullifies any force of enthusiasm for the essential justice of competitive distribution. When we stop to think how very often a man wins his chance simply by being a hair's breadth ahead of others who could equally have performed the service, how intellectually trivial is the effort that may precipitate some widespread reaction—no more perhaps than the hitting upon a catchy name for an article no better than a

dozen others,—to what extent success even in big business depends upon skill in bartering and driving a hard bargain, which apart from the larger money denominations is precisely the same in kind as that which condemns as ignoble the trade of the huckster and the pettifogger, the confidence which Mr. Mallock shows in the ability of his principle to justify present inequalities seems a bit extreme. Even when the effort is intrinsically more meritorious, we have to remember on what uncertainties depends the chance that a given man will get the opportunity to show what is in him. By the possession of wealth, in particular, or by getting in on some other basis with the right set who will use their influence in your behalf, men are constantly being enabled to get opportunities for which they are no better equipped than a multitude of their fellows. One strong point against aristocracy,—and wealth through its community of interest is always on the way to creating an aristocracy,—has always been that, while it claims to be founded on merit, in its actual working it is bound to violate the principle of merit, and to bolster up mediocrity through the influence of personal or family pull. Furthermore, even where superior ability is real, and where the increased product is due to a given man not merely in the sense that he happens to be on the ground to do the work, which would have been done equally well by a number of other men if they had been lucky enough to get the chance, but in the sense that no one else is practically available with an equal skill, the element of chance in another way may still enter, carried a step farther back. Is the man's superiority really inherent, or may it not be due simply to the fact that he has been, through no merit of his own, more favorably situated for having his latent powers developed? If there is any truth in the claim which the colleges are always making for the business value of an education, then the college man is given an extraneous advantage which frequently seems to rest on no principle of merit; in justice we could only tell whether he had greater claims in case the handicap he now possesses were removed, and he still could show his superiority.

And now finally, even supposing that the superiority is really intrinsic, and that no one else could have added the same value to the product, there is a more indefinite, but still a real character of the situation to be taken into account before we accept this added value as a just measure of the man's claims to reward. This is the ultimate fact of the dependence of each man upon the resources of mankind in general, and upon the co-operation of other men in particular. What he is, he would not have been apart from countless influences in the past and present. So of the contribution which he makes; however unique it may be, it usually is only one last link in a long causal chain, which surely does not deserve all the reward just because it happens to be the final condition that precipitates the reaction. And again, the use to which a man puts his powers would be impossible did not other contemporaries in innumerable ways also play their parts. Here it might seem that Mr. Mallock takes rather too lightly the objection that, if the workmen cannot produce the maximum apart from the captain of industry, there is nothing at all that the latter can do without the workmen. For practical purposes this may indeed set a limit to the claims that at a given moment can be made effective; but it seems hardly relevant to an argument in terms of essential fairness. A claim of justice founded on lack of power on the part of one of the claimants, so that he has to accept certain terms or starve, will scarcely appeal to the modern ethical sense.

And this negative conclusion, as regards Mr. Mallock's contention, finds a theoretical backing also in the notion of justice itself. I think it would be possible to defend the thesis that the fundamental claim of justice reduces itself to this, that no man should be denied the opportunity to make free use of his powers. In so far then as it conduces to this, the man of special ability will have a right to the extra product his labor may contribute; but not of necessity any further. The force of the appeal of justice cannot, accordingly, be separated from some rough notion of a standard of life. To the one who is barely making a

living, and whose cravings are constantly thwarted by a lack of money, the belief that some one else is securing what he has himself produced becomes the source of a passionate demand for his rights. In the man who has already enough to gratify every healthy taste, and who has to invent ways to get rid of his possessions, an equal passion on the basis of Mr. Mallock's claim for him would strike every one as rather absurd. This is the ground in equity for any scheme of graduated taxation—that the just claim of a man upon his income lessens in proportion as this becomes less necessary to the expression of recognized and genuine human needs. Writers who, like Mr. Elbert Hubbard, or Chancellor Day, set out on a crusade to right the wrongs of the wealthy and successful, never can expect to be taken very seriously.

What I have been trying to maintain is twofold. Whatever the claims of special ability may be, I see no reason to suppose that they are relevant to a very large part indeed of present actual distribution. And even when we do have cause to think that the rich man himself brings into existence, by means of his ability, the added wealth which he secures, this relationship of production still does not constitute any absolute and final claim in equity. And practically indeed this has to be admitted even by writers of Mr. Mallock's persuasion. They seldom fail to assert that as a matter of fact the rewards which business ability receives are not identical with, but rather are much less than, the wealth it actually produces; and this extra wealth they seem to allow can equitably go to society. But if a portion of the outcome can rightfully be turned aside from the pockets of the producer, why may not at least a little more? for no one supposes that the producer gives any of it up of his own free will. Why should just the amount that the chances of modern business are responsible for be the last penny that can be estranged in harmony with the laws of right? Strictly, he who maintains that justice requires each man to receive what he produces, in Mr. Mallock's sense, should also urge society to modify its workings so as to restore to the millionaire the portion of his earnings which

it now unjustly appropriates. Supposedly he declines to do this because he does not want to appear ridiculous; but it is difficult to see why he is not compromising his theory.

A good case in point is to be found in the modern doctrine of efficiency in management. On Mr. Mallock's reckoning, the extra profit is due to the efficiency expert alone. The workman, in theory at least, works no harder than before; what is added is only intelligence, and intelligence supplied from the outside. But any attempt to convince the world at large that there is essential justice in a claim on the entire extra product by one set of men only, will certainly be time wasted. To say nothing of the owner, the workingman also is going to demand some share of it before he is ready to co-operate in its attainment; and few disinterested people will find his attitude preposterous. What is still more to the point, it is evident that there is a growing sense on the part of the consumer that he too in justice ought to profit somehow in the operation. Strictly speaking he of course can claim no credit for the increase. But if you try to argue with him that in asking for a part of the benefits he is robbing others of the legitimate fruits of their industry, you may confuse him, but he will remain unconvinced; and more and more he is likely to enforce his notions on the business world.

My general conclusion is, then, that if we look for any decisive principle of justice that shall give a definite advantage to some one scheme of proportional distribution over others, we shall be disappointed. Certain aspects of the situation bring in ethical ingredients; but no decisive solution of the practical problem in the large is possible on ethical grounds. What it comes to in the end is a question, not of estimating the relative shares in production on some theoretical basis, but the making of a practical arrangement such as will approximately satisfy all the parties concerned, sufficiently to induce them to perform their part in the needed co-operation. This adjustment is indeed governed by the sense of a rough sort of justice; but the nature of this is not simple, but at least twofold. On the side of

ability, a real though very indeterminate feeling exists that there ought to be *some* special return for services that are relatively more valuable. But on the other side also, and actively limiting this, there is a still more fundamental demand that all men alike be given the chance of attaining to a genuinely human life, such as does not involve the cramping, through lack of financial independence, of those powers of accomplishment that constitute human nature. And the limit to this adjusting process is simply the limit of the willingness on the part of each factor to make its special contribution—a limit to be determined on experimental grounds. The consumer might indeed carry his demands so far as to eliminate the motives for efficiency in the producer. So might the worker carry his claims to the same extreme; and equally the employer might show himself too greedy with a similar result. And the moral is, again, that the mere principle of a claim to the product of one's labor is quite insufficient in modern industrial complications; and that, under conditions at least where, as is becoming continually more true, all the parties to the dispute have some means of enforcing their desires, the tendency is toward a division very largely empirical in its nature, guided, however, by a rude notion of equity and fairness which refuses to accept too extreme differences in reward as required by the after all not very extraordinary merits of the more successful, and limited in the process of equalization only by the danger of destroying the motives of industrial effectiveness, and killing the goose which lays the golden eggs.

The method of division, then, is not something that can be settled either on principles of abstract justice, or by appeal to the necessary laws of economics, though both enter into the solution. Rather it is a matter of expediency,—of satisfying the various classes involved to a degree that will make them willing to co-operate for the best interests of all. It is the human equation that is decisive; and a solution in which any of the powerful interests remain permanently dissatisfied is no solution at all. But while this leaves very

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much to be settled by experiment, it does have something to suggest also about the direction in which an issue may plausibly be looked for. In a general way, we may say that a successful solution must satisfy a few simple demands. It must provide for harmony rather than permanent warfare and suspicion. It must elicit so far as possible the full capacities of men, and must offer such rewards as are necessary in order to do this, whatever they may turn out to be. This will include an incentive to special ability; but it also will mean, quite as necessarily, the full enlistment of that great mass of ordinary ability by which the bulk of the world's work is done. Briefly, it must enlist all the available energy of society with the least possible friction. And to accomplish this, it is essential that, for one thing, it should see to it that as a rule success is going to depend on real ability, not on chance or pull; and for another, that men generally shall have, as a consequence of their work, a chance at the essential good things of life, and so that the present standard of living shall be substantially raised, while at the same time the power, even the benevolent power, of the few over the many is lessened. By what industrial changes this would seem to stand the best chance of being realized, I shall leave it to a second article to consider.

ARTHUR K. ROGERS.

YALE UNIVERSITY.